

## The Wisconsin Campaign Finance Mystery

by Christian Schneider

In his book *Reshaping National Intelligence for an Age of Information*, former National Security Council staffer Gregory Treverton describes what he believes to be the difference between a “puzzle” and a “mystery” when applied to international intelligence gathering.

According to Treverton, a “puzzle” is a problem for which a concrete answer can be known. For instance, the question of whether North Korea has a nuclear weapon is a puzzle — that is, either they do or they don’t. The challenge for the international intelligence community is collecting the right information to find the answer.

On the other hand, other intelligence problems are “mysteries” — there isn’t a concrete answer, just information available to us that we can use to make an educated guess about what will happen. For instance, what the effect of negotiations with North Korea will be is a mystery. Nobody knows, but experts in the field are capable of making educated guesses based on the intelligence gathered.

This framework is instructive when trying to explain the varying views of campaign financing in Wisconsin. Campaign finance reformers view the influence of money on today’s political system as a puzzle. They tie together contributions given to candidates with the bills they introduce and the votes that they take — and conclude that those actions are a direct result of the influence of money.

For instance, the Wisconsin Democracy Campaign, a leading campaign finance reform advocate, [issued an opinion](#) on 2005 Assembly Bill 4, which would have created tax-free health savings accounts to help individuals pay their medical costs. The WDC points out that labor unions, which opposed the bill, contributed \$1.8 million to legislators, with 84% of that money going to Democrats. According to the WDC, interests that supported the bill (insurance, construction, banking, agriculture, etc.) contributed \$8.8 million to legislators, with 81% of that money going to Republicans. The WDC concludes that as a result of those hefty contributions, the bills passed both houses of the Republican-controlled Legislature (it was later vetoed by Governor Doyle). To the WDC, contributions equal action. Puzzle solved.

While this simple analysis may provide ammunition to the groups looking to fund campaigns with taxpayer dollars, it is far from the whole story. The process of groups and individuals supporting candidates, and the official actions taken by those legislators is a complicated process that defies any kind of simplistic equation as employed by reform advocates. In actuality, the political process is a much more of a mystery — a collection of facts from which theories and opinions can be drawn.

As noted before, Assembly Bill 4 would have allowed citizens to set up tax free health savings accounts to help pay for their medical costs. Theoretically, when consumers have their own money to spend on medical costs, they will comparison shop for services. As a result, health service providers will be forced to compete for business, and the cost of medical services will drop. Furthermore, competition will force better customer service within health care providers, as they won't have the same built-in customer base to take for granted. With the current health insurance system, consumers don't have any incentive to shop around for the best price, so health care costs remain high and service remains shoddy.

The concept of forcing private competition for better customer service and pricing is a cornerstone of the conservative political philosophy. Republicans often push for programs like the Milwaukee Parental Choice program, which force schools to become more innovative and efficient to compete for students. When a candidate runs as a Republican, he or she often sincerely believes in the fundamental tenets of competition and consumer choice. So when a group decides to financially support the candidacy of a Republican, they are usually deciding to support someone that likely shares these views. The candidate's belief in the efficacy of Health Savings Accounts likely precedes the contribution, not the other way around. Under this scenario, wouldn't the only proof of "corruption" be if these groups contributed to Democrats and they suddenly reversed course and supported the bill?

Additionally, one must ask themselves who these "special interests" often are. Businesses are prohibited from making donations in Wisconsin. In legislative races, Political Action Committees (PACs) are capped in the amount of money they can contribute, and candidates are limited in the total amount of PAC money they can accept. Furthermore, many of these groups collect money from their members, who may just be regular people who want to elect candidates that share their philosophies of governance. Does it surprise anyone that the owner of the corner pizza joint gives \$50 to the Wisconsin Restaurant Association to try to elect candidates that agree with his philosophy? Should we take away a person's right to support candidates of their choice?

Thus, while the WDC portrayed AB 4 as a giveaway to "big business interests," it will actually be regular folks who benefit as a result of the bill. The bill was passed by members of a party who were elected by people who likely knew their pro-Health Savings Account stance.

Yet that doesn't fit the agenda of the groups who see themselves as rooting out "corruption" from government with a Serpico-like zeal. It's more helpful to the Wisconsin Democracy Campaign to explain that AB 4 was the result of corruption within the political process, as it furthers their legislative agenda. Their campaign to limit the extent to which individuals can support candidates financially is incumbent on their ability to tie those very contributions to supposed corruption within the system.

The WDC's answer to the pesky problem of people expressing their support for candidates is to use taxpayer dollars to run campaigns. In theory, this is supposed to make candidates impartial. Yet taxpayer funding of campaigns is

akin to the state buying you a ticket to a Packer game and only allowing you to yell “yay football!” and “hooray for sports!” What reformers don’t realize is that people won’t exactly be yelling “three cheers for democracy!” when their tax money is being used to fund sleazy campaign ads by a candidate they abhor.

Whether campaign financing is a puzzle or a mystery also makes a substantial difference in how the issue is portrayed to the public. If the system was a puzzle, we would occasionally get a Capitol worker to come out and say Legislator X voted for a bill because of a campaign contribution. Rooting out corruption would only mean finding the right people to talk to.

However, since the system isn’t a puzzle, it takes gathering of intelligence to form theories and opinions about the mystery that is campaign financing. In order to do this, the public needs two important tools: Disclosure of campaign contributions, and people who are capable of deciphering the data from those disclosures.

In Wisconsin, the former is taken care of by state law, which requires all contributions made to a candidate be reported to what was formerly known as the State Elections Board. If someone thinks their state senator is being unfairly influenced by the Wisconsin Chiropractors’ Association, they can go online and find out in a matter of minutes how much money their senator took from the group. Any citizen can find out how much money a candidate raised, from whom, and how it was spent.

What Wisconsin lacks, however, are independent groups that have an understanding of the political system and can spot true corruption if it occurs. Wisconsin citizens are busy going to work, raising their kids and watching “Deal or No Deal” to take the time to do meaningful research on candidates. Rarely does the public get any kind of report on the details of campaign financing from experts that is comprehensive yet understandable.

Author Malcolm Gladwell, in arguing that the Enron corruption case was [more of a mystery than a puzzle](#), points out that Enron wasn’t brought down by anyone with knowledge as to the inner workings of the company. Rather, Enron’s demise was the result of a few independent financial analysts who were able to look at publicly filed financial reports, spot trends, and investigate the financial procedures used by the company — most of which were completely legal and used by large companies all the time. It just took the right people knowing the right things to look for to bring down one of the most successful and admired companies in the U.S. economy.

Ideally, the media in Wisconsin would serve as an interpreter for the campaign finance data that campaigns report. If a series of contributions are made that look fishy, the press could alert the public and investigate. Sometimes, they do. Yet the media rarely ever have the time or resources to do any thorough analysis of the data that is right in front of their noses. Stories are usually written in vague generalities about how much campaigns raise and spend, and who does more of each on aggregate. When an actual campaign finance crime is committed, then they can do more traditional reporting in finding out what exactly happened. At that point, the problem is transformed from a mystery to a puzzle.

When the media do report on the campaign finance system, they generally wholly adopt the view of groups like the WDC. Rarely can an article be found on campaign finance without a hyperbolic quote from their executive director about how the finance system corrupts everyone. The cycle works like this: An article will appear where the WDC accuses someone of some corruption, which further convinces the public that all elected officials are criminals. Then a poll is conducted that shows the public thinks all elected officials are crooked. Then the media will write another report about the poll, which will give them an excuse to quote the WDC again. And on it goes — while the reputations of honest elected officials are unfairly dragged through the mud.

If the campaign finance system were a puzzle, then legislation like the federal McCain-Feingold law would be effective in lessening corruption by reducing the amount of money in the system. Yet in the years following enactment of the law, the public views public officials as corrupt as ever. Groups like the Wisconsin Democracy Campaign are trying to cash in on this sentiment to further their legislative agenda.

It's time to give the voters in Wisconsin some credit. Regular people are perfectly capable of figuring out how their elected officials are influenced if given the right information. The data is there, it's just a matter of finding someone willing to present it in a useable and understandable fashion. The answer to campaign finance issues that arise is not for the public to be less involved in the political process — the whole purpose of running a campaign is to educate voters on what you or your opponent plan on doing. The answer is to show them how to be better informed voters and to make their own judgments accordingly.